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# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

June 13, 2014

Robert and Nancy Schonlau  
Resource Associates LLC  
2500 South Little Valley Road  
Wallsburg, Utah 84082

Subject: Land Ownership, American Sands Energy Corporation, Bruin Point Mine, M/007/0040, Carbon County, Utah

Dear Mr. and Mrs. Schonlau:

I was asked to respond to your letter dated April 30, 2014, addressed to John Baza, Director of the Division of Oil, Gas and Mining (Division).

As we have discussed, the regulatory requirement for a Notice of Intention to Commence Large Mining Operations (Notice) is that it include "[t]he name, permanent mailing address, and telephone number of the surface landowner(s) and mineral owner(s) of all lands to be affected by the operations" (rule R647-4-104.1). The Utah Mined Land Reclamation Act (Act) contains similar language: "The notice of intention referred to in Subsection (1)(a) shall include: (i) identification of all owners of any interest in a mineral deposit, including any ownership interest in surface land affected by the notice;" (UCA 40-8-13 (1) (b)). The Division anticipates this information will be provided.

The Division will issue tentative approval after reviewing the application and finding it complete. This procedure is found in rule R647-4-116.1 (2): "A copy of the abbreviated information and tentative decision shall also be mailed by the Division to the zoning authority of the county or counties in which the land affected is situated **and to the owner or owners of record of the land affected**, as described in the notice of intention" (emphasis added). "Any person or agency aggrieved by the tentative decision may file a written protest with the Division, during the public comment period identified in the notice, setting forth factual reasons for the complaint" (R647-4-116.2).

The Division declines to comment on specific issues relative to royalties, compensation, or right of entry and suggests that you consult with your attorney to represent your interests on these matters. These issues are not specifically addressed in the Act or associated rules.



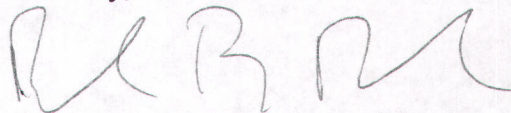


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Robert and Nancy Schonlau  
M/007/0040  
June 16, 2014

The Division is implementing a system where interested parties may receive automatic e mail notifications when items have been added to a file, but this system has not been well tested. I have asked that you be notified when any document is added to the file for the Bruin Point mine.

Please let me know if you have further questions. I can be reached by telephone at 801-538-5261 or by e mail at paulbaker@utah.gov.

Sincerely,

A handwritten signature in dark ink, appearing to read 'P. B. M.', with a stylized, cursive flourish at the end.

Paul Baker  
Minerals Mining Manager  
Minerals Regulatory Program

PBB: eb

Cc: John Baza  
Steve Alder  
Kass Wallin

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